

United States Bankruptcy Court - Eastern District of Texas		PROOF OF CLAIM
Name of Debtor: Edward Mandel		Case Number: 10-40219
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</i>		
Name of Creditor (The person or other entity to whom the debtor owes money or property): White Nile Software, Inc.		<input checked="" type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: 26 <i>(If known)</i> Filed on: May 24, 2010
Name and address where notices should be sent: c/o Rosa R. Orenstein, Receiver Sullivan & Holston 4131 N. Central Expressway Suite 980 Dallas, TX 75204		
Telephone number: 214-528-9560		
Name and address where payment should be sent (if different from above): Telephone number:		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$56,000,000.00 If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B) <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). Amount entitled to priority: \$ _____ <i>* Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>
2. Basis for Claim: See Attached Addendum (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: June 16, 2010	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. /s/ Rosa R. Orenstein, its Receiver Rosa R. Orenstein, its Receiver	

FOR COURT USE ONLY**EXHIBIT "A"**

SUBJECT TO AND WITHOUT WAIVING ANY OBJECTION TO JURISDICTION

Addendum to

White Nile Software, Inc. Proof of Claim

1. **Claimant.** White Nile Software, Inc. (the “White Nile”) files this claim in accordance with Bankruptcy Rule 3003. Pursuant to the documents described below, White Nile is a creditor of Edward Mandel (the “Debtor”).

2. **Basis for Claim.** The Debtor is indebted to White Nile, as may be determined by a Court of competent jurisdiction, arising from the facts and circumstances described in the following documents:

- A. Plaintiff’s Second Amended Petition and Request for Injunctive and Declaratory Relief filed September 17, 2008 in Cause No. 06-03319, 14th Judicial District Court, Dallas County, Texas;
- B. Thrasher’s Sixth Amended Counterclaim and Third Party Petition (Derivative Claims for White Nile), filed December 31, 2008 in Cause No. 06-03319, 14th Judicial District Court, Dallas County, Texas;
- C. Agreed Receiver Order dated May 29, 2009 entered in Cause No. 06-03319, 14th Judicial District Court, Dallas County, Texas; and
- D. Order Approving Receiver’s Designation of Independent Counsel and for Payment of Receiver and Receiver’s Attorney Fees dated September 15, 2009 entered in Cause No. 06-03319, 14th Judicial District Court, Dallas County, Texas.

Including but not limited to claims of breach of fiduciary duty, conversion, theft of trade secrets, breach of contract, fraud, and seeking injunctive relief, exemplary damages, and attorneys’ fees and costs.

3. **Open Account.** This claim is not founded on an open account.
4. **Judgments.** No judgment has been rendered on this claim.
5. **Credits.** The amount of all payments prior to the petition date on this claim have been credited and deducted for the purpose of filing this Claim.
6. **Notices.** All notices to White Nile with respect to this Claim are to be sent to:

Rosa R. Orenstein, Receiver
Sullivan & Holston
4131 N. Central Expressway, Suite 980
Dallas, Texas 75204

With a copy to:

John B. Schorsch, Jr.
Mastrogiovanni Schorsch & Mersky, P.C.
2001 Bryan Street, Suite 1250
Dallas, Texas 75201

7. **Payments.** All payments and distributions to White Nile with respect to this Claim are to be made directly to White Nile as follows:

Rosa R. Orenstein, Receiver
Sullivan & Holston
4131 N. Central Expressway, Suite 980
Dallas, Texas 75204

8. **Amendments.** White Nile reserves the right to amend and supplement this Proof of Claim, to specify (and quantify) costs, expenses, and other charges or claims incurred by or owed to White Nile, and to file proofs of claim for additional and/or revised claims held by White Nile.
9. **Claims.** Claims include, but are not limited to, claims of breach of fiduciary duty, conversion, theft of trade secrets, breach of contract, fraud, and White Nile seeks injunctive relief, actual and exemplary damages, and attorneys' fees and costs.

- A. **Prepetition Claims:** White Nile's claims had not been fully liquidated as of the Petition Date except for a portion of attorneys' fees and costs which White Nile seeks to recover from Mr. Mandel which as of the Petition Date exceeded \$200,000.00. In addition, the balance of the unliquidated claims identified above, according to the other owner of White Nile, are claimed to be in excess of \$56,000,000.00. The Debtor claims ownership of 52.5% of White Nile.